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Mr. Sanford Greenberg 600 New Hampshire Avenue, N.W. Washington, D.C. 20037

To Sandy Greenberg

We have just returned from a productive trip to the Middle East, the purpose of which was to learn as much as possible about the peace process and economic situation there and to form some plans that might be helpful in the future. We had a very full schedule, but managed to see almost everyone on our list, with the exceptions mentioned below.

In Egypt, we had an up-to-date briefing from PLO and Egyptian government officials about the so-called Shamir-Baker- Mubarak plan unfortunately, Prime Minister Shamir abandoned under pressure from his Likud partners. President Mubarak is playing the leading role now in putting together a representative and acceptable delegation of about ten Palestinians from the occupied territories who will meet in Cairo with an equivalent number of With the private knowledge but without the public Israelis. acknowledgment of Israeli leaders, this delegation is being formulated with the full involvement of PLO officials. There is still some disparity between the intentions of the two groups; the Israelis seeing this as only a planning session for conducting elections in the West Bank and Jordan; the Palestinians desiring to discuss some more fundamental peace issues. A possible compromise will be to let each side make opening statements of A possible their own devising, then move on to plan the election.

This process has been overshadowed by the failure of the Israelis to agree on a simple question: can Palestinian deportees or those with one of their dual addresses in East Jerusalem participate? The national unity government fell on this question while we were in Jordan, shortly before we arrived in Israel and, as you know, Shimon Peres of Labor has now been designated to form a new government.

We found President Mubarak relaxed and pleased with his more prominent role in the peace process plus his current leadership of the Organization of African Unity. Detailed briefings from other top officials were very helpful. Despite the return of their oil wells, a healthy tourist industry, and heavy use of the Suez Canal, the Egyptian economy is in an almost desperate condition. Cash reserves are minimal, external debt very high, and there is a wide disparity between Egypt and the IMF concerning what must be done before loans can be rescheduled. A crucial concern is the burden of repaying military loans from the United States, with interest rates of up to 14%. It is obvious that great benefits would come from full cooperation with Israel on tourism, agricultural development, and other economic projects, a path still very difficult for Egypt to follow.

In Syria we found a poor but somewhat improved economy, primarily because of the production of enough oil to meet domestic needs and even to export a small quantity. To understand Syrian policy, it is not necessary to meet with a large number of officials, so Rosalynn and I spent more than seven hours with President Assad, discussing quite frankly a wide range of issues affecting the Middle East. He seemed healthier, in better spirits, more relaxed, and patient about the peace process than when we were there three years ago. He has minimal confidence that the planned Israeli-Palestinian talks will amount to anything, but willing to stand aloof, not interfere, and see what happens, waiting for an international peace conference to make a substantive difference. (This was a belief held by all the Arabs and a substantial portion of the Israelis -- and by me.) Assad made it clear that under the umbrella of an international conference he would be ready to negotiate directly with Israel to resolve outstanding issues. Now he is strongly supporting the implementation of the Taif agreement for Lebanon, an agreement that was orchestrated by King Fahd with the early help of the United States, and which will help to establish a strong national authority. However, he feels that the French, the Vatican, Iraq, and the Israelis are assisting the Christian militia forces of Generals Aoun and Gea Gea, who are opposing this potential solution to the Lebanese crisis.

We next had a brief but pleasant visit to Aqaba with some snorkeling off the Egyptian Sinai coast, where it was interesting to see the Egyptian flag over Taba and Pharaon Island — the result of the Israeli-Egyptian peace treaty that I helped to negotiate. However, it was frustrating to see Aqaba and Eilat airports 3 miles apart with the city limits touching, with not even a foot path joining the two. We spent most of our time in Jordan analyzing the economic benefits of a peaceful Middle East, which will be the subject of our Carter Center conference late next November. Jordan also has serious economic problems, many of which could be substantially alleviated if they could have joint projects with Syria, Israel, and Egypt. Tourism alone, with open borders, would be a tremendous boost. Shipping, mining of phosphate and potash, and the proper sharing and conservation of water all offer rich dividends.

Of special concern to all Arabs, and particularly Jordanians, was the immigration of large numbers of Soviet Jews into Israel and their settlement in the occupied territories. Maximum political pressure is being exerted on the Soviet Union, the United States, and European countries to reduce this threat to the West Bank and Gaza as a future Palestinian homeland.

As luck would have it, our first luncheon in Jerusalem was with President Herzog, who was busy meeting with one after another of the 16 Knesset factions in preparing his decision to let one of the two major parties make an attempt to form a government. then met with a large number of young and old members of the major parties, scholars, West Bank and Gaza doctors, human rights activists, church leaders, Palestinians, and economists, and visited a center where incoming Jews from the Soviet Union and Ethiopia are being received and prepared for life in Israel. was heart-warming to see the hope and anticipation of these newcomers, but disturbing that a substantial number of them are being settled in East Jerusalem, in areas beyond the pre-1967 Israeli boundaries. The Israelis do not consider this as part of the occupied territories, and seem to have a "special program" to encourage settlement there. We agreed with all Israeli leaders that Jerusalem should remain a unified city. Well advised or not, this is creating intense Arab pressure in the world community, and may have the counterproductive effect of reducing the number of Soviet Jews who will come to Israel, as Soviet, U.S., and European leaders respond to Arab concerns.

Despite contrary beliefs often expressed among Israelis, Palestinian leaders from all walks of life seem to be almost unanimous in supporting the intifada and expressing their loyalty to the PLO and Yasir Arafat as their sole legitimate representative and spokesman. They are prepared to participate in the Baker plan, however, provided the chosen group has the tacit blessing of the PLO.

We discussed reports of human rights abuses with Israeli military and civilian authorities who administer the occupied territories, and were gratified at some of their responses. For instance, they promised to cease removing mothers and children from their homes in the West Bank and Gaza and deporting them to Jordan, and to let the 251 documented cases be resolved by permitting families to be reunited.

Rightly or wrongly, Palestinian leaders are convinced that there is a general policy of encouraging emigration from the occupied territories by making life unpleasant for Arabs and insuring that vital services to West Bank and Gaza communities are increasingly dependent on Israeli sources. Many Israelis are distressed with these policies, and some asked us to continue to try to correct these problems, but it is obvious that a comprehensive peace settlement is the only sure path to this goal.

Our final stop in Israel was at Tel Aviv university, where superb work is being done to promote reform of Israel's electoral system and in analyzing major economic opportunities in the region when peace finally comes. Since this is such an exciting issue, we received full support from leaders in all the countries for our Carter Center conference. We will be making full preparations under the direction of Dr. Kenneth Stein, and hope that you will plan to be with us the last three days in November.

While in Egypt, I met with President Julius Nyerere of Tanzania, who is now co-chairman with me in the Eritrean-Ethiopian peace talks. We have been constantly striving to gain the opening of supply routes to provide relief to more than 3 million people who are faced with starvation, and there has lately been some good news from both sides. President Nyerere and I decided to extend invitations to President Mengistu Haile Mariam and Secretary Isaias Afwerke to recommence peace talks in April. Mengistu has accepted, and we are awaiting the EPLF response.

Needless to say, we accomplished most of our goals on the trip. Our only disappointments were the failure of Lebanese President Hirawi and PLO Chairman Arafat to meet with us because of scheduling difficulties. We will try to rearrange these meetings.

At the request of President Vassiliou, we landed in Cyprus and enjoyed a visit with him. We discussed the ongoing dispute between Greek and Turkish Cypriots and the hope that more intense mediation efforts might be helpful in addition to what the United Nations has been doing for several years.

This was an encouraging trip. The bottom line is that the people of the Middle East - Egyptians, Israelis, Jordanians, Lebanese, Palestinians, Syrians - want peace. One of our major goals at The Carter Center is to explore every opportunity and cooperate with all those who share our conviction that a comprehensive peace settlement is both necessary and inevitable. I know from Camp David days that the issues are sensitive and controversial. However, there was an enthusiastic response in all countries for our program this year to emphasize the necessity for direct talks and to explore the relationship between peace and economic cooperation. It is good to have you as a full partner in this effort.

As usual, I have made a more confidential report to some top American officials on our discussions with leaders in the Middle East. This letter is just a general outline, so if you have any further specific questions, please share them with us. Thanks again for making it possible for us to carry out the purpose of our Center. We always strive to make you, as friends and supporters, proud of the work we do together. Come to visit us when you can, and let me know if there is ever any way we can help to repay your confidence and generosity.

Sincerely,

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